

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1280 - SB 1428

April 15, 2019

**SUMMARY OF ORIGINAL BILL:** Directs the Governor, acting through the Commissioner of the Department of Finance and Administration (F&A) to submit a waiver amendment to the existing TennCare II waiver, or to submit a new waiver, in order to provide medical assistance to the TennCare II waiver population by means of a block grant in accordance with the provisions of this act no later than 120 days after the effective date of this act to the federal Centers for Medicare and Medicaid Services (CMS). The block grant authorized by this section must convert the federal share of all medical assistance funding for this state into an allotment that is tailored to meet the needs of this state and that is indexed for inflation and population growth.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – Not Significant

Other Fiscal Impact - If approved by the federal government, the level of federal funding that would be approved for the Medicaid program is unknown. The current federal funding level for FY18-19 is approximately \$7,544,537,000.

IMPACT TO COMMERCE OF ORIGINAL BILL:

Other Commerce Impact – Due to a number of unknown factors, an impact to commerce or jobs in Tennessee cannot be determined.

**SUMMARY OF AMENDMENT (008269):** Deletes all language after the enacting clause. Directs the Governor, acting through the Commissioner of the Department of Finance and Administration, to submit to the federal centers for Medicare and Medicaid services a waiver amendment to the existing TennCare II waiver, or to submit a new waiver, in order to provide medical assistance to the TennCare II waiver population by means of a block grant in accordance with this section no later than 180 days after the effective date of this act. Requires the block grant authorized by this section to convert the federal share of all medical assistance funding for this state into an allotment that is tailored to meet the needs of this state and that meets certain criteria when determining the base amount of the block grant.

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## **FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- The Division of TennCare will not incur a significant increase in expenditures to submit the waiver amendment to the federal Centers for Medicare and Medicaid Services (CMS).
- Should CMS approve the waiver amendment, it is unknown what restrictions will be placed on the amount of federal funding, what mandates will be placed on services or individuals served, what state funds will be required, and what will happen to current enrollees.

## **IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumption for the bill as amended:

- It is unknown what impact an altered benefit structure will have on capitation and payment rates and covered services to the managed care organizations and various health care providers. Due to these unknowns, an impact to commerce and jobs in Tennessee cannot be determined.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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